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Our Ref: JN/LUK/CHW/EDF/1/57
 Your Ref: 98081290.2/GC12/668205.07000

11 January 2021

Dear Sirs

SKAT (the Danish Customs & Tax Administration) ("SKAT") v Solo Capital Partners LLP (in Special Administration) & Others
Our Client: ED&F Man Capital Markets Limited ("ED&F Man")

We refer to your letter of 18 December 2020.

Your assertion that ED&F Man has sought to evade giving an explanation for the inaccuracies in the Annex E Tax Vouchers is not accepted. The Re-Amended Defence provides a sufficient answer to your client's pleaded claim. ED&F Man has disclosed contemporaneous documents relevant to the Annex E Vouchers (including all of the Trade Packs) from which your client will be able to verify the veracity of ED&F Man's pleaded position in relation to the Annex E Tax Vouchers.

As to the payments referred to in paragraph 19.1 of the Re-Amended Defence to Schedule 5T and the questions you raise at paragraph 1, page 2 of your letter:

1. *Who made the payments* - As identified in the Dividend Reconciliation spreadsheets disclosed within the trade packs for the Annex E Tax Vouchers, with respect to every trade underlying (i) Schedule 1 of the Annex E Tax Vouchers and (ii) the incorrect information in Schedule 2 of the Annex E Tax Vouchers, the payments to the Pension Plans were made by ED&F Man Proprietary Trading (Dubai) Limited ("MPT Dubai"), the ultimate counterparty from whom the Pension Plans had acquired the right to the relevant Danish shares;
2. *Why the payments were made* - Having acquired the right to the relevant Danish shares on a Trade Date prior to the Reference Date, the Pension Plans had a contractual right to dividends in respect of such shares. However, the counterparty MPT Dubai was unable to pay the Pension Plans' dividends in satisfaction of such rights because it did not have a right to the relevant Danish Shares on the Trade Date and thus did not receive the dividends from the underlying Danish company. Accordingly, MPT Dubai satisfied its contractual obligations to the purchasing Pension Plans by paying sums equivalent in value to these dividends net of 27% WHT;
3. *Why the Annex E Tax Vouchers treated the payments as dividends* – When completing the Annex E Tax Vouchers, which were in a standard form template, Michael Meade of ED&F Man's Operations Desk took into account the relevant Pension Plans' entitlement as at the Trade Date. He did not understand at the time that the payments received by the Pension Plans could not constitute dividends net of WHT (i.e. although equivalent in value, they were not dividends which had been paid by the underlying Danish company);

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4. *Why the irregularity was not identified in the December 2018 Defence* – At all material times, the individual who prepared the Annex E Tax Vouchers, Mr Michael Meade of ED&F Man's Operations Desk, understood that their preparation in the manner described above was accurate and legal. The inaccuracy only came light during the continuing investigations of Rosenblatt and FTI Consulting in relation to the 420 Tax Vouchers which are the subject of SKAT's claim against ED&F Man – resulting in ED&F Man's 5 September 2019 amendment of its original Defence in relation to the 80 Annex E Tax Vouchers.

For the avoidance of doubt, MPT Dubai had no involvement in any of the transactions which led to ED&F Man's production of the 340 Disputed Tax Vouchers, which makes them distinguishable from the Annex E Vouchers.

Yours faithfully



ROSENBLATT